

FIRST THINGS FIRST

Fiscal Policy and Principles of System Building

August 30, 2010



FIRST THINGS FIRST



**The timing
couldn't be
better**

Charting the Future, Building the System

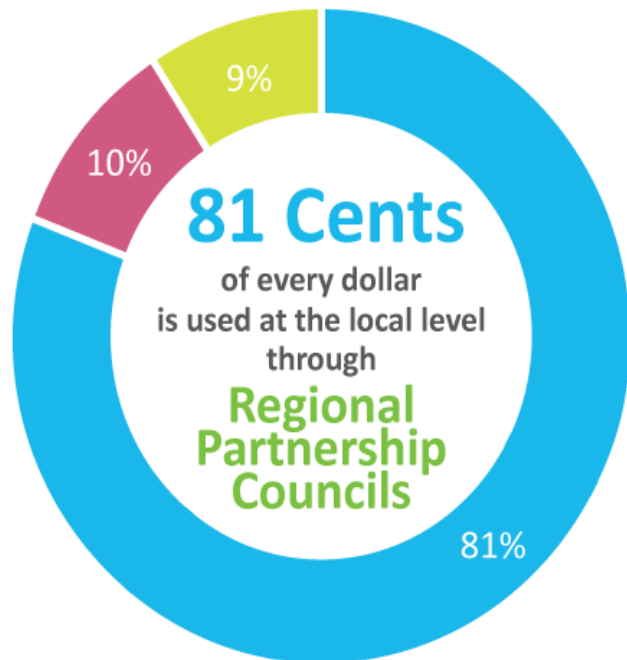
- FTF Fiscal Policy
- FTF Strategic Direction
- Implementation
 - FTF FY10 Closeout
 - FTF FY11 Implementation
 - FY 2012 Planning





FTF Fiscal Policy

First Things First Revenue Stream

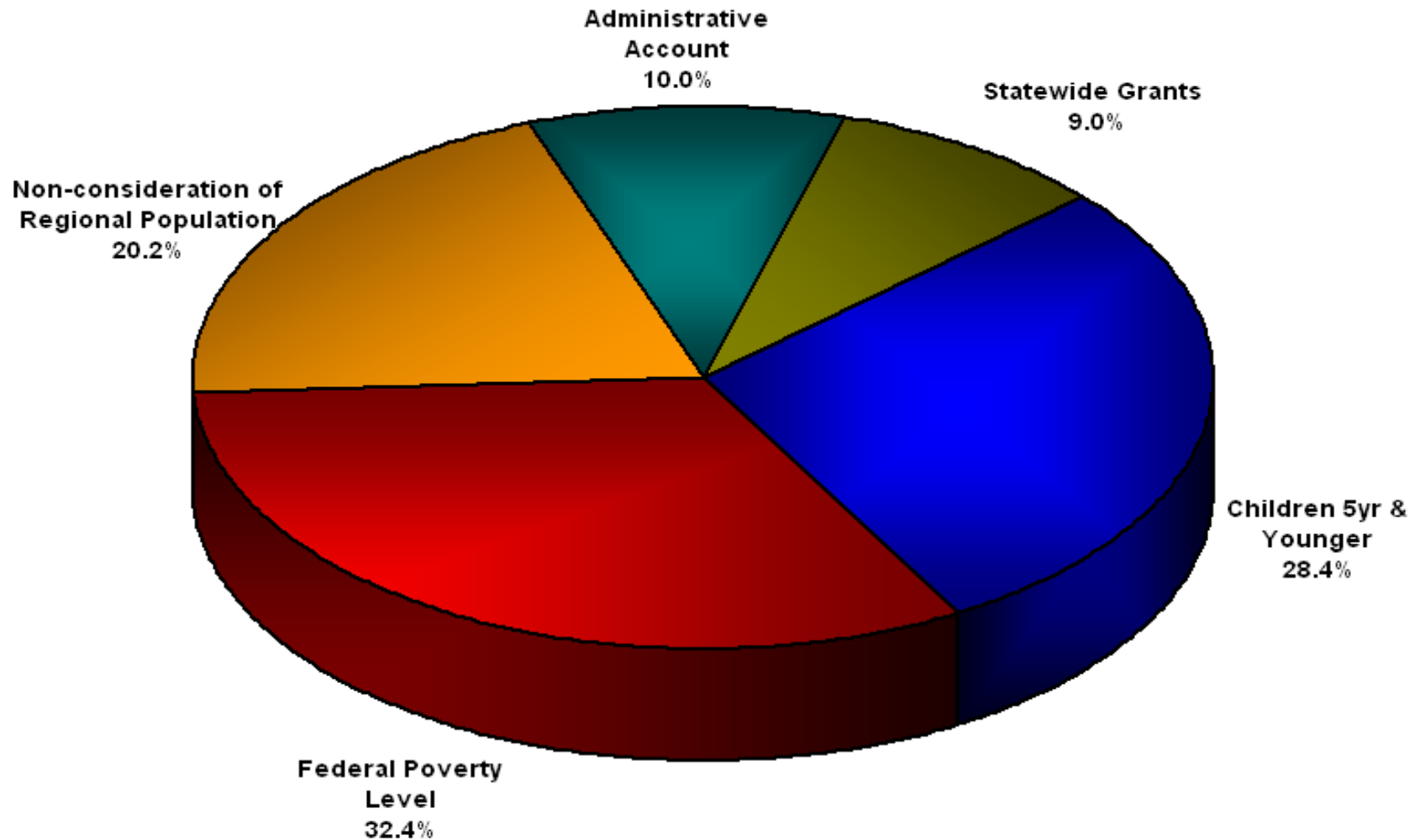


Our Dedicated Revenue Stream

- Regional Council Funds
- Administrative Account
- Statewide Grants



First Things First Revenue Stream



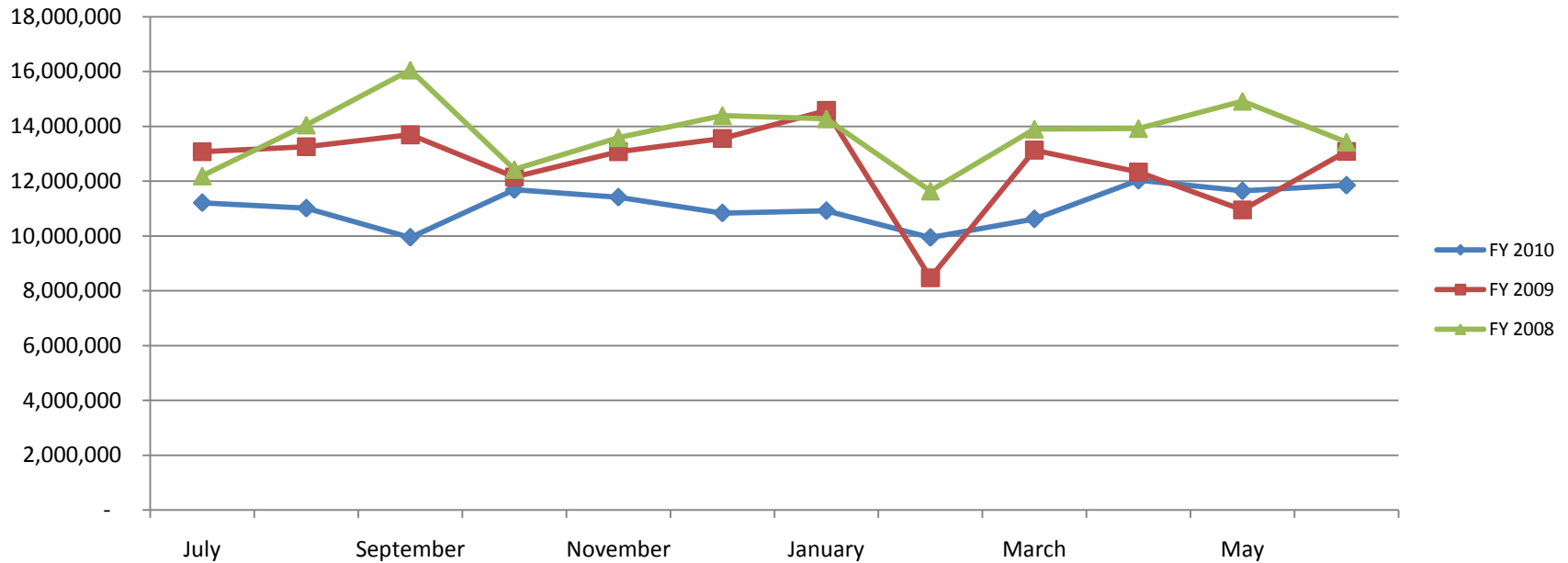
FTF Fiscal Policy

Tobacco Tax



Declining Revenue Source

Monthly Tobacco Tax Revenue



Tobacco Tax Revenue

Current Budget = \$130,973,500

	FY 2010	FY 2009	FY 2008
July	11,211,514	13,072,609	12,193,815
August	11,013,597	13,259,701	14,051,158
September	9,948,588	13,692,552	16,055,097
October	11,688,368	12,153,319	12,429,446
November	11,413,943	13,071,452	13,590,137
December	10,837,151	13,559,444	14,398,196
January	10,919,518	14,579,373	14,275,133
February	9,940,779	8,474,104	11,643,437
March	10,620,639	13,132,772	13,900,273
April	12,030,877	12,334,970	13,923,595
May	11,643,476	10,951,777	14,917,645
June	11,850,451	13,081,742	13,427,181
	133,118,902	151,363,814	164,805,113

FTF Fiscal Policy

Tobacco Tax as a Declining Revenue Source

SFY11 Budget Revisions:

- Reduction of the budget from \$156,521,624 to \$135,150,107
- Revised the allocations to the Regional Councils
- Included evaluation as a standard expenditure at the regional level using discretionary funding
- Estimates for carry forward by Regional Councils were \$34 million (Carry Forward includes funds that were not awarded and funds that were not expended from a grant or agreement)
- Provided \$20 million from fund balance to offset revisions
- Identify revenue stream for allotments to strategies: Population, Discretionary, Other (Fund Balance), or Carry Forward

FTF Fiscal Policy

SFY12 and Beyond Considerations

- Continue to think about sustainability
 - Set the annual budgets at the level of revenue coming in
 - Continue to draw down some level of fund balance
- Determine possible uses of discretionary funding, including baseline adjustments, frontier funding for rural communities, and incentivizing and rewarding progress toward FTF outcomes and benchmarks
- Continue the standard evaluation expense at the regional level for next two years, then determine how to fund evaluation
- Consider use of Carry Forward by the Regional Councils

FTF Fiscal Policy

Thoughts and reactions?

How does this affect:

- Current strategies
- Additional revenue sources
- Cross-regional collaboration
- Other



FTF Strategic Direction for System Building

Why Build An Early Childhood System in Arizona?

- To get measurable results for Arizona's young children and their families
- Affecting school readiness requires comprehensive approaches and involvement from all sectors: health, mental health, family support, early care and education, parents, higher education, faith communities, businesses, philanthropy, media and many others



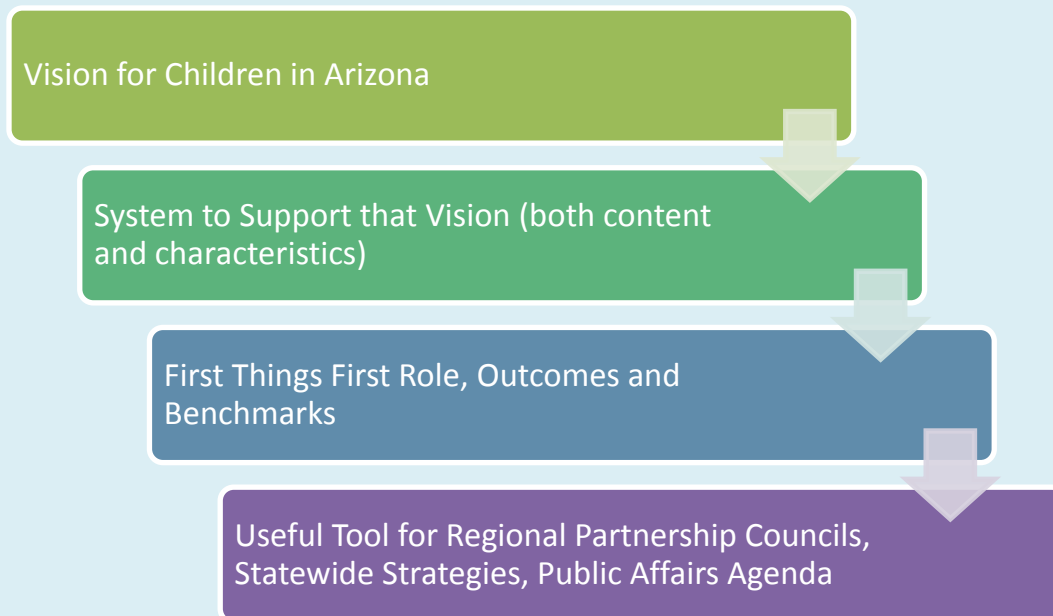
System Characteristics



- Comprehensive
- Accessible for children and families
- Scalable
- Outcome focused
- Accountable

Arizona Early Childhood System

- Shared vision for Arizona children
- Shared ownership and development among all constituencies
- Shared understanding of what the system looks like
- Useful framework for FTF:
 - Specific, measurable outcomes and benchmarks
 - Funding priorities
 - Guides use of all resources





Implementation

FY2010 Closeout
FY2011 Implementation
FY 2012 Planning

FY 2010 Closeout

Expenditures of awards


Unallotted/Unawarded Carry Forward

Unexpended Carry Forward

4th Quarter Data and Year to Date Data

FY 2011 Implementation

Moving strategies to implementation—
RFGAs and Agreements



Use of Carry Forward in SFY11

Expenditure and Data Reports

Grantee Meetings

FY 2012 Planning

Needs & Assets Reports



Expenditure and Data Reports



2012 Funding Allocation



Funding Plan Development

System Building and Implementation

Thoughts and reactions?

Impact on:

- Current strategies
- Short-term and long-term planning
- Any unintended consequences
- Cross-regional collaboration
- Other



Ready for School.
Set for Life.